Case 2:17-cv-03010-JCM-GWF Document 116-9 Filed 05/30/19 Page 1 of 4

- 1. I was employed by Plaintiff Hyundai Motor America ("HMA") from September 1986 through 2016. In 1997, I became HMA's Vice President of Parts and, later, in or about 2008, I became Executive Vice President of Parts and Service. In or around 2009, my title was changed to Executive Vice President, Customer Satisfaction, which position I held until my retirement.
- 2. I served as an expert witness for Plaintiffs HMA and Hyundai Motor Company (collectively "Hyundai") in this matter. I understand that my expert report was disclosed to Defendants Midwest Industrial Supply Company and Alliance Automotive, LLC (collectively "Defendants") on February 28, 2019. Further, I understand that my expert report was filed with this Court as Exhibit K to the Declaration of Kenneth E. Keller in Support of Hyundai's Motion for Attorneys' Fees and Costs (ECF Nos. 77-33, 77-44.)
- 3. I submit this declaration in support of Hyundai's Motion for Attorneys' Fees and Non-Taxable Costs ("Motion"). The facts stated herein are based on my personal knowledge, unless otherwise stated, and if called upon, I would testify competently thereto.
- 4. I have reviewed Defendants' Opposition to Hyundai's Motion for Attorneys' Fees (the "Opposition"). I submit this declaration to clarify and provide additional context for some of the assertions made by Defendants in their Opposition.

Hyundai's Warranties

- 5. HMA offers several warranties (the "HMA Warranties") on Hyundai vehicles including: (1) the New Vehicle Limited Warranty; (2) the Powertrain Limited Warranty (Original Owner); (3) the Anti-Perforation Limited Warranty; and (4) the Replacement Parts and Accessories Limited Warranty.
- 6. The HMA Warranties are essential to the successful marketing of Hyundai products and is necessary to assure the quality control of the parts and services associated with the Hyundai trademarks. By its terms, the HMA Warranties give assurance to the Hyundai customer that his or her purchase will achieve certain performance standards during the warranty period. HMA has long recognized that the HMA Warranties have substantial value and are an important and necessary part of the automotive goods purchased by its customers.

- 7. The HMA Warranties only extend to "Hyundai Genuine Parts," which parts are distributed by Mobis Parts America ("MPA") on behalf of HMA. Therefore, the HMA Warranties do not extend to any Hyundai-branded parts sold by Defendants.
- 8. Hyundai's Dealer Sales and Service Agreement ("DSSA") defines "Hyundai Genuine Parts and Accessories" as: "All new or remanufactured Hyundai parts, accessories and equipment marketed by HMA and listed in HMA's parts catalog, **or the functional equivalent thereof**, as amended from time to time." (emphasis added)
- 9. I understand that Defendants are taking the position in their Opposition that the bolded phrase above—"or the functional equivalent thereof"—means that any automobile parts or accessories that are "functionally equivalent" to Hyundai Genuine Parts would also be covered by HMA's Warranties. That is wrong.
- 10. The phrase "or the functional equivalent thereof" refers to the immediately preceding phrase: "HMA's parts catalog." It does not refer to "Hyundai parts" as contended by Defendants.
- 11. The "functional equivalent" of HMA's parts catalog could include a digital catalog or some other format for displaying or listing Hyundai Genuine Parts which may be "amended from time to time" as stated in the DSSA's definition.
- 12. Under Defendants' incorrect interpretation of the definition of "Hyundai Genuine Parts and Accessories," the result could be that HMA warrants a non-Hyundai or even counterfeit part so long as that part serves the equivalent function of Hyundai's parts. But that conclusion is wrong. HMA does not provide warranty coverage for any parts other than Hyundai Genuine Parts.
- 13. HMA's Warranties do not apply to the parts sold by Defendants. Defendants' expert, Robert Triulzi, is simply incorrect in his opinion that the Hyundai-branded parts sold by Defendants' would be covered by HMA's Warranties.

The FTC Letter

14. Defendants have also asserted that Hyundai is in violation of the Magnusson Moss Warranty Act. To support that assertion, Defendants attached a letter from the Federal Trade Commission ("FTC") to HMA date April 9, 2018 that referenced language from HMA's website regarding HMA's Warranties and the use of non-Hyundai Genuine Parts.

Case 2:17-cv-03010-JCM-GWF Document 116-9 Filed 05/30/19 Page 4 of 4